



# NEWS RELEASE

## Canadian upstream oil and gas investment increased only 15% compared to 41% in the U.S.

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For Immediate Release

**CALGARY**—From 2016 to 2018, capital investment in Canada’s upstream oil and gas industry (essentially, exploration and production) increased 15 per cent compared to 41 per cent in the U.S. over the same period, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Part of the explanation for the diverging fortunes is that in the U.S., they’re building pipelines, reducing and streamlining regulations, and reforming taxes to be more competitive while Canada is doing the opposite,” said Steven Globerman, senior fellow at the Fraser Institute and author of *Investment in the Canadian and U.S. Oil and Gas Sectors: A Tale of Diverging Fortunes*.

Moreover, the percentage of oil and gas capital investment in Canada as a share of total capital investment has plummeted, from 28 per cent in 2014 to 13.9 per cent in 2018.

“Clearly, the U.S. has become much more attractive for energy investment and Americans are reaping the economic benefits,” Globerman said.

“Unless we see dramatic policy change in Ottawa and in key provinces, we can expect this shift in capital from Canada’s energy sector to the U.S. to continue.”

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